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INFORMATION REPORT

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The Hungarian commercial attaches in western countries held a conference from 19 to 26 July 1954, in Budapest. The following is the consensus of the attaches:

1. The economic policy switch during the summer of 1953 by the Orbit countries, resulted in the major dislocation of the Hungarian industries. The former preference for heavy industry did not provide for the proper equipping of light industry; the obvious result of this is that the latter is unable to cope with the increased internal demand.
2. Hungary hitherto exported to the West primarily the products of the light industry; it is anxious to go on as before at least until the new exports of the heavy industry will balance the loss.
3. Hungary's difficulties are aggravated by the increased demands of Orbit countries for light industrial products, i.e. consumer goods. Orbit demands for Hungarian heavy industrial products have sharply decreased.
4. Large scale dismissals in Hungarian heavy industry are expected.

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